

## DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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September 27, 2006

To: CSBG Service Providers

Subject: **2006/2007 Community Services Block Grant (CSBG) Program Contract – Amendment #1**

The purpose of this memorandum is to inform you of changes being implemented to the current 2006/2007 CSBG Contract. The following amendment includes four significant changes:

- A paragraph was added to Exhibit B page B1 which is intended to clarify the department's request that a list of all agency projected funds and funding sources be submitted with the CSBG Contract.
- The Advance Payment section in Exhibit B beginning on page B4 was amended in an attempt to provide further clarification. CSBG Contract language will be amended stating that any agency that expends 75% of their first year allocation (including the advance) before the reporting period of the contract term in which they are required to begin repayment of the advance, the agency will repay the advance in full before any further expenditure reimbursement.
- The Travel and Per Diem section in Exhibit D page D9 has been amended to ensure travel costs and per diem reimbursement rates are in line with the requirements set forth in the applicable OMB Circulars.
- The Procurement Section in Exhibit D beginning on page 9 has been updated to reflect a new CSD policy. The updated procurement language ensures significant procurement transactions are conducted in an open and freely competitive manner. Contractors are now asked to submit their written procurement procedures for approval by the department, or in the absence of written procurement policies, Contractors will submit a Request for Purchase/Lease Pre-Approval (CSD 558) for each of the following procurement transactions:
  - i. Any articles, supplies, equipment or services having a per-unit cost in excess of \$5,000; or
  - ii. Any articles, supplies or equipment where the total contract amount exceeds \$100,000.

Please review this amended language carefully. If you have any questions, please feel free to call me at (916) 341-4256

Sincerely,  
**Original Signed By Jeannette Nelson**

Jeannette Nelson  
Community Services Division Manager

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September 27, 2006

To All Community Services Block Grant Contractors:

2006/07 Community Services Block Grant Contract (CSBG), Amendment No. 1

As discussed in Jeannette Nelson's September 27 letter regarding changes to the 2006/07 CSBG contract language, enclosed is your agency's packet for Amendment No. 1 to the 2006/07 CSBG contract. The amendment includes a face sheet and amendment language.

In order to expedite the execution of your agency's Amendment No. 1, please observe the following instructions, and feel free to use this letter as a checklist.

- ☐ Complete the section labeled "**CONTRACTOR'S NAME**" on both face sheets. Print or type the name and title of the person who is authorized to sign the amendment. Print the date signed. Ensure that **your agency's authorized representative has signed both face sheets**. Your agency's authorized representative is the person whom the governing board has specified in its resolution as the official representative to sign the 2006/07 CSBG contract and, if applicable, any amendments.
- ☐ If applicable, submit a governing board resolution with an **original signature of your board's authorized representative**. The board's resolution must identify whom it has authorized to sign the 2006/07 CSBG contract and any amendments.
- ☐ Please return two complete copies of the amendment packet to CSD, and arrange all pages--including the face sheets and amendment language--in the order you received them. Include your board resolution (if applicable) and a transmittal letter (if desired), but please do not staple or otherwise attach these documents to the amendments themselves. If the insurance and fidelity bond documents you submitted with your original 2006/07 CSBG contract are still in effect, you do not need to resubmit them. When the amendment is fully executed, Contract Services Unit will mail you a copy for your records.
- ☐ Please return your completed amendment packet within 30 days (45 days for public agencies) to:

Contract Services Unit  
Department of Community Services and Development  
700 North 10th Street, Room 258  
Sacramento, CA 95814

Please keep in mind that in order for CSD to execute your amendment, all of your agency's amendment documents must be **complete**. Authorized persons must sign the board resolution and both face sheets. Except as waived for self-insured governmental entities, the Certificate of Liability Insurance must name CSD as the Certificate Holder and as an additional insured, except for workers' compensation and fidelity bond. Insurance documents that are on file at CSD must provide proof of current coverage, or you must replace them. Coverage must include workers' compensation insurance, fidelity bond, public liability, and vehicle insurance.

If you have questions regarding this amendment process, you may contact Brenda Carradine of my staff at (916) 341-4262. For questions regarding insurance coverage, please contact Suelene Choy of my staff at (916) 341-4265. For questions regarding the procurement language or other contractual requirements, reporting forms, or other requirements, please contact your Field Representative.

Sincerely,

**Original Sigend by Fernando Negrete**

Fernando Negrete

Manager, Contract Services Unit

FN:BAC

Enclosures

2. Exhibit B, Budget Detail and Payment Provisions, 1. Budget. A. Two-Year Budget: A new item 6) is added to read as follows:

**“6) Contractors must include an itemized list of all agency projected total program funds and funding sources. This information should be submitted as part of Section D of CSD 425.S Budget Summary Form. Any internal budgeting form displaying the funding sources and funded programs will be accepted.”**

3. Exhibit B, Budget Detail and Payment Provisions, 2. Advance Payment, is deleted in its entirety and replaced with Exhibit B, Budget Detail and Payment Provisions, to read as follows:

**“2. Advance Payments**

- “A. During the first year of the contract term, the State shall issue one working capital advance to the Contractor not to exceed 25% of the total Contractor allocation based on the first year funding of the Federal award as set forth on the funding detail page of Std. 213, Standard Agreement.**
- “B. The State shall issue one working capital advance to the Contractor not to exceed 25% of the total second year Contractor allocation made available in the Federal award as described in Section 1. A. (2) in this exhibit. Any carryover from the first year of the contract term shall not be considered when calculating the advance amount for the second year of the term.**
- “C. In no event will an advance payment be issued to the Contractor in the second year of the contract term if any portion of the first year’s advance remains outstanding.**
- “D. CSD will initiate the repayment process of advanced funds beginning with the seventh monthly (or fourth bimonthly) reporting period of the contract term and ending with the twelfth month of the contract term, as applicable to the first year allocation/funding of this contract. CSD will initiate the repayment process of the second year’s funding, beginning with the nineteenth monthly (or tenth bimonthly) reporting period of the contract term and ending on the twenty-fourth month of the contract term.**
- “E. CSD will initiate repayment of advance payments outstanding whenever 75% of the first year allocation has been expended. In the event an advance payment is issued in the second year allocation, CSD will initiate repayment of the second advance whenever 75% of the second year allocation has been expended. Any carryover from the**

first year of the contract term will not be considered in this calculation. As applicable to both years' funding of this Agreement, CSD shall begin applying approved expenditures to the outstanding advance balance thereby offsetting any subsequent reimbursements.

"CSD shall determine amounts to be offset by applying the balance of the advance equally into the remaining expenditure reporting periods. An exception may occur if the expenditure reports submitted are less than the applied settlement formula (as described immediately above). In that case, CSD shall apply the entire reimbursement amounts against the outstanding advance balance.

"F. In the event this Agreement is amended to increase the consideration of this Agreement, a subsequent advance payment plus any previous advances already allowed shall not exceed 25% of the total consideration of this Agreement."

4. Exhibit D, Special Terms and Conditions, item 1. A, Certifications, is deleted in its entirety and replaced with Exhibit D, Special Terms and Conditions, item 1. A Certifications, to read as follows:

**"1. Certifications**

**"A. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:**

- "1) Drug-Free Workplace Requirements Contract Certification Clause 1005 (CCC-1005)**
- "2) National Labor Relations Board Certification (CCC-1005)**
- "3) Expatriate Corporations (CCC-1005)**
- "4) Domestic Partners (CCC-1005)**
- "5) Amendment for Change of Agency Name (CCC-1005)**
- "6) Resolution (CCC-1005)**
- "7) Air and Water Pollution Violation (CCC-1005)**
- "8) Information Integrity and Security (Department of Finance, Budget Letter 04-35)**

**"For detailed explanation for each of the above certifications, see  
[www.csd.ca.gov](http://www.csd.ca.gov)."**

5. Exhibit D, Special Terms and Conditions, 8. Travel/Per Diem, item B. is deleted in its entirety and replaced with Exhibit D, Special Terms and Conditions, 8. Travel/Per Diem, item B. to read as follows:

**"B. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed as allowed pursuant to OMB Circular A-87 Section 43 or OMB Circular A-122 section 51 as applicable, and based on the Contractor's acceptable, written travel policy, or, in the absence of such policy, not to exceed Federal per diem requirements."**

6. Exhibit D, Special Terms and Conditions, 9. Procurement, is deleted in its entirety and replaced with Exhibit D, Special Terms and Conditions, 9. Procurement, to read as follows:

**"A. Contract Administration**

- "1) Contractors shall administer this Agreement in accordance with all federal and state rules and regulations governing CSBG pertaining to procurement, including Office of Management and Budget (OMB) Circulars and amendments thereto, consistent with the general OMB compliance requirement in Exhibit B to this Agreement. Contractors shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in OMB Circulars A-102 and A-110 and all additional provisions in this Agreement, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.**
- "2) Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.**

- “3) Contractor assures that all supplies, materials, equipment, or services purchased or leased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.**
- “4) In addition to adhering to all OMB requirements and the Contractor’s established procedures for all procurement transactions of any amount, for each purchase, lease, or subcontract for any articles, supplies, equipment, or services obtained from vendors or subcontractors where the per-unit cost exceeds \$5,000, three competitive quotations shall be obtained or adequate justification documented and maintained as to the absence of bidding. In cases of a bona fide emergency where awarding a subcontract is necessary for the immediate preservation of public health, welfare, or safety, documentation of the emergency will be sufficient in lieu of the three-bid process.**
- “5) To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall comply with one of the following requirements at Contractor’s election:**

  - “a. Contractor shall submit for CSD’s review and approval the written procurement procedures developed pursuant Section 9. A. 1) above. Upon receipt of the procedures, CSD will review them for substantial conformity with the OMB procurement guidelines and the three-bid requirement in Section 9. A. 4. above. Within thirty (30) days of receipt, CSD will provide either written approval of the procedures, or specific recommendations for amendment of the procedures. Approval shall not be withheld unreasonably; or**
  - “b. Absent CSD’s written approval of the procurement procedures, Contractor shall prepare and submit a Request for Purchase/Lease Pre-Approval (CSD 558) to CSD at least fifteen (15) calendar days prior to executing the subcontract for each of the following procurement transactions:**

    - “i. Any articles, supplies, equipment or services having a per-unit cost in excess of \$5,000; or**
    - “ii. Any articles, supplies or equipment where the total contract amount exceeds \$100,000.**
- “6) Noncompliance with any of the provisions in this Section 9. shall result in a disallowance of the costs of the procurement transaction.**

**“7) Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of state-owned property in Contractor's possession or any other property or equipment procured by Contractor with State funds. Such care shall include, but is not limited to, the following:**

**“a. Maintaining insurance coverage against loss or damage to such property or equipment.**

**“b. Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor.**

**“B. Limitation on Use of Funds**

**“Contractor shall assure that funds received under this Agreement shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility other than low-income weatherization or energy-related home repairs.”**

All other terms and conditions shall remain unchanged.